available as promised in the Statement and as required by Section 251.[68] In addition, the Statement's proposed interfaces are only interim solutions (see SGAT at 6). One example of an OSS interface that will not be fully operational for some time is on-line access to Customer Service Records ("CSRs").[69] Indeed, the Commission notes that in the arbitrations involving AT&T and MCI, BellSouth is required to develop such access in a manner that protects customer privacy, working with the CUC, and after developing such CSR access the parties must return to the Commission to demonstrate the appropriate privacy protections before the relevant interface is implemented.[70] Approval of the Statement under these conditions would be misleading by stating that BellSouth "generally offers" items that are not actually available.

With respect to interim number portability, the rates are interim, subject to true-up. As mentioned previously, establishing such interim number portability rates on a general basis as a part of a Statement may violate the law against retroactive ratemaking. Also, the Commission has not determined whether these interim rates are cost-based. Therefore as a matter of policy if not as a matter of law, an additional basis for rejecting the Statement is the interim nature of the interim number portability rates which are subject to true-up and which the Commission has not determined to be cost-based. In addition, if BellSouth submits a revised Statement that permits blocking of number portability when a customer has past due charges but has not been disconnected, BellSouth should also submit a supporting argument showing why BellSouth believes that number portability may be used as a method of enforcing the recovery of past due amounts. BellSouth should also attempt to revise the Statement's standard regarding shutting down of number portability to ensure that such shutting down occurs only during network emergencies or on the basis of other, specific technical requirements.

With respect to resale, the Commission notes that subsequent to BellSouth's January 22, 1997 filing of the Statement, the Commission undertook further review and action to approve BellSouth's resale tariff in Docket No. 6352-U. Therefore, revision of the SGAT should include any revisions necessary to conform to the resale tariff and related decisions in Docket No. 6352-U. With respect to charges for switching local exchange carriers or unauthorized transfers of customers, the Statement should be subject to any Commission rulings in current or future proceedings on these topics.

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[68] *See* Tr. 2010 (Sprint witness Burt), Tr. 1791 (MFS witness Meade), Tr. 2049 (AT&T witness Pfau); prefiled testimony of MCI witness Martinez at 15.

[69] Tr. 1979, 1986, 3128-30.

[70] This was ordered in the AT&T arbitration, Docket No. 6801-U, MCI arbitration, Docket No. 6865-U, and Sprint arbitration, Docket No. 6958-U.

E. Other Requirements of Sections 251(c), (d), (e) and (g)

Section 251 contains other requirements within subsections (c), (d), (e) and (g) as to which the Commission finds no deficiency in the Statement, or which are not directly applicable to the Statement.

251 (c)(1) relates to the duty to negotiate. It provides for:

> (1) DUTY TO NEGOTIATE. -- The duty to negotiate in good faith in accordance with section 252 the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (5) of subsection (b) and this subsection. The requesting telecommunications carrier also has the duty to negotiate in good faith the terms and conditions of such agreements.

Although ICI raised numerous questions at the hearing regarding BellSouth's negotiations, ICI did not appear to ask for rejection of the Statement upon those grounds. Many other companies have negotiated agreements, and the arbitrations to date have not proven bad faith on the part of BellSouth. Any confusion of the sort ICI may have experienced appear to have been resolved by the very submission of BellSouth's proposed Statement. The Commission does not find any deficiency with respect to BellSouth's negotiations, and therefore does not base its rejection decision upon any concern about BellSouth's good faith in negotiations.

Section 251(c)(5) relates to BellSouth's duty to give CLECs notice of certain changes. It provides:

> (5) NOTICE OF CHANGES. -- The duty to provide reasonable public notice of changes in the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.

The Statement reflects terms and conditions that were established pursuant to negotiation and arbitration in the AT&T and MCI arbitration cases, Dockets No. 6801-U and 6865-U. The Commission does not find any deficiency with respect to this portion of the Statement, and therefore does not base its rejection decision upon any concern about BellSouth's provision for notice to CLECs of changes.

Section 251(d)(2) involves directions to the FCC regarding its determinations for regulations implementing the requirements for unbundled access to network elements under Section 251(c)(3). It provides:

(2) ACCESS STANDARDS.– In determining what network elements should be made available for purposes of subsection (c)(3), the Commission shall consider, at a minimum, whether –

(A) access to such network elements as are proprietary in nature is necessary; and

(B) the failure to provide access to such network elements would impair the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer.

The Commission finds that no issue has been raised in this case involving this provision of the Act. In addition, this provision of the Act speaks to the FCC, not directly to the Georgia Commission. Therefore, the Commission concludes that this provision has no bearing on its decision in this Order as to whether to approve, reject, or allow the Statement to take effect.

Section 251(d)(3) also speaks to the FCC in its development of regulations implementing Section 251. It provides:

(3) PRESERVATION OF STATE ACCESS REGULATIONS.– In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that–

(A) establishes access and interconnection obligations of local exchange carriers;

(B) is consistent with the requirements of this section; and

(C) does not substantially prevent implementation of the requirement of this section and the purposes of this part.

The Commission finds that no issue has been raised in this case involving this provision of the Act. In addition, this provision of the Act speaks to the FCC, not directly to the Georgia Commission. Therefore, the Commission concludes that this provision has no bearing on its decision in this Order as to whether to approve, reject, or allow the Statement to take effect.

Section 251(e)(1) relates to the FCC's activities regarding telecommunications numbering. It provides:

(1) COMMISSION AUTHORITY AND JURISDICTION.– The Commission shall create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities all or any portion of such jurisdiction.

The Commission finds that no issue has been raised in this case involving this provision of the Act. In addition, this provision of the Act speaks to the FCC, not directly to the Georgia Commission. The only issues raised regarding access to telephone numbers were raised under separate provisions of the Act discussed previously in this Order. Therefore, the Commission concludes that this Section 251(e)(1) has no bearing on its decision in this Order as to whether to approve, reject, or allow the Statement to take effect.

Section 251(g) pertains to services provided to interexchange carriers ("IXCs") by local exchange carriers. It provides:

> (g) CONTINUED ENFORCEMENT OF EXCHANGE ACCESS AND INTERCONNECTION REQUIREMENTS.-- On and after the date of enactment of the Telecommunications Act of 1996, each local exchange carrier, to the extent that it provides wireline services, shall provide exchange access, information access, and exchange services for such access to interexchange carriers and information service providers in accordance with the same equal access and nondiscriminatory interconnection restrictions and obligations (including receipt of compensation) that apply to such carrier on the date immediately preceding the date of enactment of the Telecommunications Act of 1996 under any court order, consent decree, or regulation, order, or policy of the Commission, until such restrictions and obligations are explicitly superseded by regulations prescribed by the Commission after such date of enactment. During the period beginning on such date of enactment and until such restrictions and obligations are so superseded, such restrictions and obligations shall be enforceable in the same manner as regulations of the Commission.

The Commission finds that no issue has been raised in this case involving this provision of the Act. In addition, this provision of the Act speaks to the FCC, not directly to the Georgia Commission. Therefore, the Commission concludes that this provision of the Act has no bearing on its decision in this Order as to whether to approve, reject, or allow the Statement to take effect.

IV. ORDERING PARAGRAPHS

For the reasons discussed in the foregoing sections of this Order, the Commission finds and concludes that it would be premature to approve BellSouth's proposed Statement of Generally Available Terms and Conditions as it stands, or to allow the Statement to take effect, and that the Statement should be rejected pursuant to Section 252(f) of the Act. BellSouth clearly undertook a substantial effort in developing and supporting its Statement, however, and the Commission's decision is simply based on finding that various aspects of the Statement are premature, not fully developed, or require additional support.

The Commission further concludes that rejection of the Statement now, with the identification of premature and deficient aspects, is a better course than simply allowing the Statement to take effect and continuing to review it. This is because the latter course would place BellSouth in jeopardy of having an effective Statement that is subject to subsequent rejection. The approach the Commission adopts and applies in this Order provide BellSouth with more certainty, even though it also does not grant BellSouth the affirmative approval which BellSouth requested.

The Commission will keep this docket open for review of any revised Statement that BellSouth may choose to submit. Such Commission review will be for the purpose of addressing aspects of the Statement that are currently premature or deficient, as discussed in this Order.

WHEREFORE THE COMMISSION ORDERS that:

A. BellSouth's Statement of Generally Available Terms and Conditions is rejected as being a premature and incomplete Statement, for the reasons discussed in the preceding sections of this Order, pursuant to Section 252(f) of the Telecommunications Act of 1996.

B. This docket shall be kept open for Commission review of any revised Statement that BellSouth may choose to submit, in order to address the aspects of the Statement that are currently premature or deficient as discussed in this Order.

C. All statements of fact, law, and regulatory policy contained within the preceding sections of this Order are hereby adopted as findings of fact, conclusions of law, and conclusions of regulatory policy of this Commission.

D. A motion for reconsideration, rehearing or oral argument or any other motion shall not stay the effective date of this Order, unless otherwise ordered by the Commission.

E. Jurisdiction over these matters is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

The above by action of the Commission in Administrative Session on the 20th day of March, 1997.

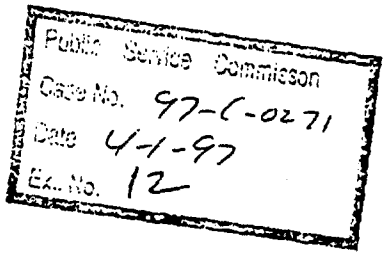
Terri M. Lyndall
Executive Secretary

3/21/97
Date

Stan Wise
Chairman

3-21-97
Date

Halloran



STATE OF NEW YORK

NEW YORK PUBLIC SERVICE COMMISSION

CASE 97-C-0271

STATEMENT OF

EILEEN M. HALLORAN

on behalf of

AT&T COMMUNICATIONS OF NEW YORK, INC.

DATED: MARCH 30, 1997

STATEMENT OF EILEEN HALLORAN

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND PRESENT POSITION.

A. My name is Eileen M. Halloran. My business address is 32 Avenue of the Americas, New York, New York 10013. I am presently employed by AT&T as a Manager in the AT&T Vendor Management Organization.

Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE.

A. From 1969 until 1983, I worked for various Bell Operating Companies and was principally involved in local network provisioning, planning, and engineering. In 1983, I joined AT&T, where I have worked in the areas of network engineering, planning, message circuit design, and installation of AT&T's 800 service. Beginning in March of 1995, I was involved in the local services trial in New York, which was conducted with New York Telephone Compnay ("NYT") beginning in August of 1995. In connection with AT&T's entry into the local market, I have been lead negotiator with respect to facilities based services and unbundled network element issues with NYT.

Q. WHAT IS THE PURPOSE OF THIS STATEMENT?

A. The purpose of this statement is to discuss NYT's failure to make available unbundled network elements in a manner that would allow AT&T to provide local exchange services to its existing and potential customers on a commercial basis. In that regard, I will discuss a number of items on the Section 271 checklist, including interconnection, nondiscriminatory access to unbundled network elements, local loop transmission,

local transport, local switching, nondiscriminatory access to databases and associated signaling, and interim number portability. I also discuss NYT's operations support systems ("OSS") as they relate to unbundled network elements ("UNEs").

Q. WHAT IS YOUR REACTION TO NYT'S SECTION 271 DRAFT APPLICATION?

A. With respect to the availability of the unbundled network elements, NYT has made a number of promises of future performances, but has failed to demonstrate that CLECs can actually obtain the unbundled network elements from NYT today. NYT has also made no effort to demonstrate that these unbundled network elements are available on commercially reasonable terms or at commercially significant volumes.

Q. ARE NYT'S PAST PRACTICES RELEVANT IN THIS PROCEEDING?

A. In the absence of actual performance of its obligations under the Act, NYT's past practices and conduct become very relevant in considering NYT's promises of performance. I will describe in this statement a number of instances in which NYT has acted in an anticompetitive and discriminatory manner or in ways that are commercially unreasonable or simply insufficient to meet the basic needs of CLECs. Until there is actual evidence and experience with the interconnection arrangements and operating systems and interfaces to demonstrate that NYT can reliably provide interconnection and unbundled network elements to CLECs on terms and conditions that permit them to serve their customers on a commercially reasonable basis and at competitively significant volumes,

NYT's past actions preclude any reliance on its promises to perform in the future.

Q. IN LIGHT OF NYT'S PAST PRACTICES, DO YOU HAVE ANY COMMENT ON NYT'S PROPOSALS FOR RESOLUTION OF ISSUES IN THE FUTURE THROUGH THE BONA FIDE REQUEST PROCESS ("BFR") AND RESOLUTION OF ISSUES BY NEGOTIATION?

A. Yes. There are a host of operational and other issues that must be resolved as part of the process of opening the local exchange network to competition. Many of these issues are new and have not been confronted before. NYT's general approach with respect to many of these issues is to leave them for resolution through negotiation or through the use of the BFR process. It is my experience with NYT that processes of this type often lead to unreasonable delays that have an adverse impact on CLECs and are frequently handled by NYT in a manner that is anticompetitive and discriminatory. Such actions are not acceptable as the industry moves to a competitive environment. It is important that key operational and implementation issues be resolved and NYT's ability to perform be demonstrated to ensure that AT&T and other CLECs can compete for customers on an equal footing with NYT.

I. INTERCONNECTION

Q. HAS NYT FULLY IMPLEMENTED INTERCONNECTION ON TERMS AND CONDITIONS THAT ARE JUST, REASONABLE, AND NONDISCRIMINATORY?

A. No. NYT maintains discriminatory and unreasonable provisioning intervals for interconnection.

Q. WHY ARE PROVISIONING INTERVALS IMPORTANT FOR INTERCONNECTION?

A. Interconnection is not something that a CLEC does only once prior to its entry into the local market. AT&T will have an ongoing need for interconnection as its customer base grows and changes. Naturally, AT&T will plan ahead and try to anticipate when and where it will need additional trunking and interconnection.

In the local exchange market, however, demand will not grow on a perfectly, smooth upward curve. It will spike up at times and at times it will remain flat. For example, AT&T may win an unexpected customer, or an existing customer may suddenly open new offices or change locations. AT&T may also do a marketing campaign that brings in new customers and causes demand to increase rapidly. In such instances, when demand spikes, AT&T will still need to fill those orders promptly, and to do so AT&T must obtain interconnection in a prompt and timely manner.

Q. HOW ARE NYT'S PROPOSED INTERVALS UNREASONABLE AND DISCRIMINATORY?

A. NYT's proposed interval for interconnection is 60 business days (or three calendar months), and 30 business days for additions to existing trunk groups. Butler, ¶ 21. There is essentially no difference, however, between the interconnection NYT provides to CLECs and the interconnection

NYT provides today to interexchange carriers. NYT regularly delivers interconnection for AT&T in less than 25 business days.

Q. HAS NYT EVER OFFERED AN EXPLANATION FOR WHY ITS PROPOSED PROVISIONING INTERVALS FOR INTERCONNECTION ARE SO MUCH LONGER FOR CLECS THAN THEY ARE FOR IXCS?

A. No.

Q. WHAT WOULD BE A COMMERCIALLY REASONABLE PROVISIONING INTERVAL FOR INTERCONNECTION?

A. The typical interval should be 15 business days.

Q. WHY IS 15 BUSINESS DAYS APPROPRIATE?

A. In contrast to the local exchange market, demand growth for interexchange services is relatively predictable. But NYT's proposed 60-day interval for CLECs is completely unacceptable. Especially in the critical early stages of local competition, growth in demand can be expected to spike up rapidly and unevenly, and therefore CLECs must have the flexibility to react quickly to changing market conditions.

Therefore, the typical provisioning interval should be 15 business days at most. NYT has never offered any showing or explanation as to why 15 business days would be infeasible. Indeed, NYT elsewhere commits to make unbundled transmission facilities available in 15 business days, see Butler, ¶ 69, and NYT has also publicly committed to provide interconnection for purposes of interim number portability within 21 business days for new facilities and 16 business days for existing

facilities. NYT's insistence on these different intervals is completely arbitrary and unjustified.

Q. WHAT HAS AT&T'S EXPERIENCE BEEN IN TERMS OF OBTAINING INTERCONNECTION FROM NYT?

A. AT&T has been working with NYT since 1995 on a facilities-based local services trial. In the context of that trial, AT&T has experienced many delays and problems in obtaining collocation for interconnection and access to local loops and NYT's network. These problems cast doubt on NYT's ability to perform reliably in a real-world setting.

Q. WHAT IS THE LOCAL SERVICES TRIAL?

A. AT&T initiated the local services trial in 1995, and its original purpose was to participate in a NYPSC-sponsored test of number portability. To participate in this test, AT&T deployed a 5ESS switch in Manhattan, and obtained collocated space in four NYT central offices. AT&T later expanded the scope of the trial to include a technical trial of basic local exchange architecture and other functions, with the expectation that AT&T could eventually use its switch to offer local service.

Q. DID AT&T HAVE DIFFICULTY OBTAINING COLLOCATED SPACE FROM NYT DURING THE LOCAL SERVICES TRIAL?

A. Yes. To participate in the number portability test, AT&T applied to NYT for collocated space in four Manhattan end offices on August 7, 1995. Shortly before AT&T's application, the Commission had ordered NYT to provide collocated space within 15 weeks of any application from a CLEC, and on the

basis of this order AT&T planned to obtain the collocated space by late December or early January 1996. AT&T needed the space during that time frame because the NYPSC's number portability trial was scheduled to begin in February, 1996.

In September 1995, AT&T met with NYT to discuss its collocation applications. NYT informed AT&T that, notwithstanding the NYPSC's order, NYT would not provide the requested space within fifteen weeks. In a series of dealings over the following several weeks, NYT put forward varying interpretations of the NYPSC's order concerning when the fifteen week clock began running. Principally, NYT maintained that the fifteen weeks did not begin running until AT&T paid a fifty percent deposit, but NYT could not determine how much AT&T had to pay until its engineers had analyzed the buildings.

NYT had not responded in a commercially reasonable manner, and therefore in December AT&T raised the issue with the NYPSC. At a meeting attended by the NYPSC staff, AT&T, and NYT, the NYPSC staff told NYT to furnish collocation to AT&T in a timely manner. Notwithstanding the NYPSC staff's admonition, however, AT&T and NYT were unable to resolve the issue, and the fifteen weeks elapsed without NYT delivering to AT&T the requested space. On January 17, 1996, AT&T filed a formal complaint with the NYPSC.

NYT finally made available to AT&T the collocated space in two of the four buildings on March 19, 1996. Collocated space in the other two buildings was made available the

following day. AT&T did not have power in any of the buildings, however, until the end of April.

The NYPSC upheld AT&T's position in an order issued in June 1996 (but published only in September 1996). The NYPSC reaffirmed and clarified that the fifteen week period begins when a CLEC files an application, and that NYT had therefore violated the Commission's original order from 1995.

Q. DID AT&T HAVE OTHER PROBLEMS USING COLLOCATED SPACE IN NYT'S BUILDINGS?

A. Yes. NYT has taken other steps that make it hard for AT&T's employees to use the collocated space and to perform their jobs. For example, NYT has taken the position that it does not have to provide lighting in the collocated space beyond "stumble lighting." This position is commercially unreasonable and inconsistent with Bellcore standards. Without adequate lighting, it is difficult for AT&T to maintain its collocated equipment.

During the trial NYT also failed to provide adequate air conditioning in one of AT&T's collocated spaces. During the summer, temperatures were measured at 85 degrees in AT&T's space. These temperatures adversely affect the operation of the collocated equipment, as well as making it uncomfortable for AT&T employees to work. AT&T repeatedly asked NYT to fix the problem, with no result. AT&T finally contacted NYT's attorneys to try to fix the air conditioning problem. Although I have received many promises, I have still never received definitive confirmation that the air conditioning is

in fact fixed, and we may not know whether it is fixed until this summer.

Another incident involved NYT's unreasonable refusal to offer AT&T personnel access to the collocation cage until NYT had completed building it. NYT's refusal meant that AT&T personnel could not inspect the cable runs in order to estimate how much cable they would need to install. Therefore, AT&T had to rely on NYT's estimates of the necessary cable length -- which turned out to be substantially wrong in all four buildings. NYT's mistake resulted in further delay in a project that had already been substantially delayed by NYT's failure to comply with the fifteen week deadline. This incident is explained in more detail in the Statement of Timothy Rowland.

These incidents may seem relatively minor in isolation, but the cumulative effect of such problems can be substantial. As these episodes show, with NYT even the things that should be simple are often difficult. And the things that are inherently difficult become monumentally difficult. Although most of the problems I have described above are now resolved for the moment, if similar problems arise in the future, either with the existing cages or with installation of new cages, I have no confidence that such problems could be quickly resolved. In such cases, AT&T would be at the mercy of the same improvised, ad hoc, and unreliable "procedure" for resolving problems that I described above. Such a "procedure" is discriminatory and commercially unreasonable and would

inevitably produce adverse consequences in the context of real-world competition.

Q. DO YOU HAVE ANY OTHER CONCERNS RELATING TO INTERCONNECTION?

A. In the context of interim number portability, NYT refuses to allow interconnection at the tandem switch, which is indisputably a technically feasible point of interconnection. I will discuss this later in the statement, however, in connection with number portability issues.

II. NONDISCRIMINATORY ACCESS TO UNBUNDLED NETWORK ELEMENTS

Q. WHAT ISSUES ARE YOU DISCUSSING UNDER THIS HEADING?

A. In this section, I will discuss the Operations Support Systems relating to unbundled network elements and will supplement the extensive treatment of the OSS issues presented by Mr. Michael Hou in his statement. In this section I will also discuss issues associated with combinations of elements. The individual network elements will be discussed under separate headings.

A. Operations Support Systems

Q. WHY ARE THE OSS SYSTEMS AND INTERFACES IMPORTANT TO AT&T?

A. AT&T's entry strategy requires that AT&T be able to offer its local exchange service on a prompt and timely basis, with a level of quality comparable to what current AT&T customers now experience with AT&T's long distance service, and at least equal to the current NYT local service. As a new competitor

in the local exchange market, AT&T must provide customers with a positive experience. If some of NYT's systems or interfaces fail to operate properly from the customer's perspective, it would be a competitive disaster for AT&T's entry into the local exchange market. Customers receiving "AT&T" billed service require that AT&T provide them with assured and consistent service quality. For this reason, AT&T has focused on ensuring that interconnection arrangements, operating systems, and the operations support system interfaces are capable of handling large volumes of transactions at all levels of complexity on a real-time basis. Accordingly, all of NYT's systems and procedures must be operational at competitively significant volumes and must be able to handle complex transactions before AT&T can begin to offer its services generally in the marketplace.

As Mr. Hou's statement shows, other carriers will have different entry strategies based on their particular circumstances. I am aware, for example, that some new entrants may initially enter the market with a small customer base and plan to expand gradually. For these carriers, interfaces that provide for manual handling of orders may be consistent with their entry strategies. In contrast, carriers with a large interexchange customer base such as AT&T cannot rely on manual handling because of the large number of orders that they anticipate. In addition, in light of the complexities of the interconnection issues and interface arrangements, it is absolutely necessary that NYT's interfaces

and systems have been fully tested to ensure that they will operate properly. Until such testing is completed, there can be no assurance that customers dealing with AT&T will receive the appropriate level of service, or that NYT's systems and interfaces can handle competitive volumes of customer requests.

Q. DO THE ISSUES RELATING TO NYT'S CURRENT AND PROPOSED OSS INTERFACES FOR RESALE DIFFER FROM THE ISSUES RELATING TO UNBUNDLED NETWORK ELEMENTS?

A. Generally, the issues relating to OSS interfaces are the same for resale as they are for unbundled network elements. As a result, the severe limitations of NYT's OSS interfaces that are discussed extensively by Mr. Hou in his statement are equally applicable to unbundled network elements.

One area of difference that does exist between resale and UNEs relates to billing of individual network elements. The concept of unbundling is new and has raised a number of issues, particularly in the area of billing of individual network elements. These elements are being combined in various ways and being interconnected with different networks. Accounting for the use of each network element -- each of which has its own billing structure (e.g., fixed charges, minutes of use) -- requires significant operational and systems planning and coordination between NYT and the CLECs. AT&T and NYT are still in discussions on ways to ensure that charges for each network element are established on an

appropriate basis and then incorporated properly in the OSS billing interfaces.

Q. ARE COMMERCIALLY REASONABLE AND NONDISCRIMINATORY OSS INTERFACES AVAILABLE FOR CLECS WISHING TO PURCHASE UNES FROM NYT?

A. No. For the reasons stated in Mr. Hou's statement, NYT does not currently offer commercially reasonable and nondiscriminatory interfaces to CLECs seeking to purchase UNEs.

Q. EVEN THOUGH AT&T BELIEVES THAT THE CURRENT OSS INTERFACES ARE INADEQUATE, HAS AT&T SOUGHT TRAINING WITH RESPECT TO THOSE INTERFACES FROM NYT?

A. In January of this year, AT&T requested a demonstration and training session on the Web/GUI for ordering unbundled network elements. That demonstration and training session was scheduled for mid-February but was cancelled by NYT. It has now been rescheduled for mid-April. Thus to date, AT&T has received no training from NYT with respect to the OSS interfaces as they relate to UNEs.

Q. WHAT OTHER STEPS HAS AT&T TAKEN IN AN EFFORT TO USE NYT'S EXISTING OSS INTERFACES RELATING TO UNES?

A. On March 17, 1997, AT&T wrote to NYT requesting a trial of the preordering, ordering, provisioning, maintenance, and billing processes and systems that NYT has put in place relating to UNEs. This trial is designed to review the operational processes relating to a local service offering by AT&T based on the UNE platform and would test the various

types of orders and service requests that would be submitted by AT&T to NYT for UNE platform service. The trial would also include issues such as intervals for processing orders, delivery of billing information, maintenance and repair issues, and identification of areas where systems interfaces need amendment or refinement. To date, AT&T has yet to receive a formal response to this request for a trial.

Q. HAVE AT&T AND NYT AGREED ON THE INTERFACES TO BE USED ON A LONG-TERM BASIS?

A. In February of this year, after several months of discussions, the parties agreed on the interfaces to be used on a long-term basis.

Q. PLEASE DESCRIBE BRIEFLY THE HISTORY OF DISCUSSIONS BETWEEN THE PARTIES ON THIS ISSUE.

A. Discussions regarding OSS interfaces began with NYT in March of 1996. These discussions centered largely on interfaces for resale. In October of 1996, AT&T provided to NYT detailed specifications containing interfaces relating to both resale and unbundled network elements. Shortly thereafter, AT&T and NYT began discussions on OSS interfaces for unbundled network elements but could not agree on the system interfaces to be used for preordering or maintenance. As a result, working level discussions were halted in December of 1996 pending resolution of the choice of system interfaces by senior management of the two companies. In mid-February 1997, AT&T and NYT management agreed to the use of real-time transaction-based protocols and a transport network to be used

to exchange information for preordering, ordering, and provisioning for resale and customer-specific unbundled network elements, as well as for maintenance and repair for those services.

Q. WHAT IS THE TIMETABLE FOR IMPLEMENTATION OF THIS AGREEMENT ON OSS INTERFACES?

A. NYT and AT&T have agreed to use the EDI interface for pre-ordering, ordering, and provisioning for both resale and unbundled network elements and hope to complete the final stages of testing (i.e., service readiness testing) of the pre-ordering interface by the end of 1997.

Q. WHY WILL THIS PROCESS TAKE 9 MONTHS?

A. As described by Mr. Hou, the process for developing and testing interfaces is a complex process involving many collaborative steps, from design of the interfaces to a full range of testing of the interfaces.

Q. WHAT ACTIVITIES ARE ENVISIONED FOR THE OTHER OSS INTERFACES DURING THIS 9 MONTH PERIOD?

A. The parties will be working on the other interfaces during this period, but no time schedule has been established for those interfaces at this time. The goal of the parties is to complete work on these interfaces by the end of 1997, subject to the usual and normal project contingencies.

B. Combinations of Elements

Q. HAS NYT PROPOSED ANY DISCRIMINATORY OR COMMERCIALLY UNREASONABLE RESTRICTIONS ON COMBINATIONS OF UNBUNDLED NETWORK ELEMENTS BY CLECS?

A. It is impossible to tell whether NYT is complying with the FCC's requirements regarding the combinations of UNEs. To my knowledge, the OSS systems are not currently configured to handle many combinations of elements, including the UNE platform. This is a situation in which NYT has made the promise on paper, but there is no evidence to support NYT's claim. Moreover, NYT has not developed detailed written procedures governing combinations and instead states its assumption "that it is technically feasible to combine network elements in the same manner that NYNEX New York configures them in its network." Butler, ¶ 73. NYT also states that requests for combinations are generally to be made using the BFR process. Id., ¶ 74. As I discuss earlier, the BFR process provides NYT with significant opportunities to delay and hinder competitive offerings by CLECs.

Q. HAS NYT MADE AVAILABLE A LISTING OF COMMONLY REQUESTED COMBINATIONS THAT IT HAS INDICATED THAT IT IS WILLING TO PROVIDE ON REQUEST?

A. NYT has not provided a standard listing of commonly requested combinations that it is committed to providing to CLECs upon request. In my review of the witness statements and the SGAT, I did not see anything on the UNE platform. Parties are entitled to order the UNE platform, but NYT does not address how it will make this offering available on commercially reasonable terms to CLECs.

III. UNBUNDLED LOOPS

Q. HAS NYT FULLY IMPLEMENTED UNBUNDLING OF THE LOOP?

A. No. The method of loop provisioning that NYT has proposed cannot realistically handle the volume of unbundled loops that would be ordered by a mass market CLEC.

Q. WHAT IS NYT'S PROPOSED METHOD OF PROVISIONING UNBUNDLED LOOPS?

A. The great majority of loops in New York are copper analog loops. Those loops are individual wires that are brought into the central office and physically laid across a main distribution frame, through which they are routed into the switch itself.

NYT's proposed method of provisioning is to have a NYT technician literally take the physical wire, move it off the main distribution frame and physically connect that wire to AT&T's collocated equipment.

Q. WHAT ARE THE LIMITATIONS OF THIS SYSTEM?

A. There are very severe limitations to this system. NYT recently submitted a study that estimated that a NYT technician could provision an unbundled loop once every 0.64 hours, or every 38 minutes. Assuming NYT is right, that means that in a seven hour workday, a single technician who does nothing but provision unbundled loops could convert only 11 customers per day. Factoring in the inevitable inefficiencies, down time, and correction of errors, the real

number is probably more like ten (or fewer) per day per technician.

Moreover, there is a limit to how many technicians can stand in a front of a main distribution frame crawling over one another provisioning loops, and therefore NYT cannot expand the provisioning capacity of its workforce simply by adding more and more technicians. A main distribution frame is only so big. My understanding is that any more than about six technicians at one time would get in one another's way and undoubtedly slow the process down rather than speed it up. So many technicians working at once would also inevitably increase the error rate.

For these reasons, there is a natural ceiling to the rate at which NYT can provision unbundled loops using only manual processes. Assuming two shifts of six technicians per day doing nothing but loop provisioning, that natural ceiling is likely around 120 or so per central office.

Q. IS THIS RATE OF LOOP PROVISIONING ACCEPTABLE?

A. No. As explained more fully in the Statement of Kevin Curran of AT&T, a mass market CLEC like AT&T could plausibly generate volumes of orders well in excess of 120 per day per central office. Such volumes would completely overwhelm the system that NYT is proposing.